

# Idaho Grain Market Report, September 26, 2013

Published by the Idaho Barley Commission, [kolson@idahobarley.org](mailto:kolson@idahobarley.org), 208-334-2090

Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday, September 25, 2013. Barley prices in \$/Cwt. and wheat prices in \$/bu.

Barley (Cwt.)			Wheat (bu.)		
Ashton	NQ	(2-R) \$10.00 (6-R) \$10.00	NQ	NQ	NQ
Rexburg/ Ririe/ Roberts	NQ	(2-R) NQ (6-R) NQ	NQ	NQ	NQ
Idaho Falls	\$7.25	(2-R) \$11.50-\$12.50 (6-R) \$11.50	\$6.30	\$6.66	\$6.47
Blackfoot / Pocatello	NQ	(2-R) \$10.00 (6-R) \$10.00	\$6.00	\$7.20	\$7.24
Grace / Soda Springs	\$7.80	(2-R) NQ (6-R) NQ	\$6.30	\$6.92	\$7.45
Burley / Rupert	\$8.00-\$8.50	(2-R) \$11.50 (6-R) \$11.50	\$6.20-\$6.27	\$6.70	\$6.96
Hazelton					
Twin Falls / Eden / Buhl	\$8.10-\$9.00	(2-R) NQ (6-R) NQ	\$5.50-\$6.00	NQ	NQ
Weiser	\$8.50	(2-R) NQ (6-R) NQ	\$6.10	NQ	NQ
Nez Perce / Craigmont	\$6.50	(2-R) \$6.50 (6-R) \$6.50	\$6.48	\$7.58	\$7.57
Lewiston	\$6.75	(2-R) \$6.75 (6-R) \$6.75	\$6.67	\$7.77	\$7.76
Moscow / Genesee	\$6.55-\$7.75	(2-R) \$6.55 (6-R) \$6.55	\$6.44-\$7.15	\$7.54-\$8.26	\$7.53-\$8.16

## Prices at Selected Terminal Markets, cash prices FOB

	#2 Feed 46 lbs. -- unit trains barge	Single rail cars- domestic	Malting	#1 SWW	#1 HRW 11.5% Protein	#1 DNS 14% Protein
Portland	NQ	NQ	NQ	Oct \$6.95-\$7.15 ½ Feb \$7.25-\$7.30 ¾	Nov \$8.28 ¼ Feb \$8.29 ¼-\$8.32 ¼	Oct \$8.08 ¼ -\$8.33 ¼ Feb \$8.22 ¼-\$9.53 ¼
Los Angeles	\$11.80	NQ	NQ	NQ	NQ	NQ
Stockton	NQ	NQ	NQ	NQ	NQ	NQ
Tulare	\$11.80	NQ	NQ	NQ	NQ	NQ
Ogden	NQ	NQ	NQ	NQ	NQ	NQ
Great Falls	\$7.00	NQ	\$10.75	NQ	\$6.95-\$7.05	\$7.07
Minneapolis	\$6.67	NQ	\$11.46	NQ	\$7.58 ¼ (12%)	\$7.93 ¼-\$8.08 ¼

## Market trends this week

**BARLEY** – Local barley prices were slightly higher this week with southern Idaho locations reporting no change to 5 cents higher and northern Idaho reporting no change to 15 cents higher. USDA reported that barley export sales hit a marketing year high last week totaling 45 TMT for Japan. Export shipments totaled .2 TMT for South Korea.

**WHEAT** – Local barley prices were slightly higher this week with southern Idaho locations reporting no change to 5 cents higher and northern Idaho reporting no change to 15 cents higher. USDA reported that barley export sales hit a marketing year high last week totaling 45 TMT for Japan. Export shipments totaled .2 TMT for South Korea. Cumulative wheat export sales now reached 59.1% of the USDA estimate for MY 2013/14 compared to a 5-year average of 48.8%. Wheat export shipments last week came in at 1.03 MMT, down 15% from the previous week, however it was up 6% from the prior 4-week average.

**International Grains Council (IGC) monthly supply and demand projections** – IGC increased their world wheat production estimate this month by 2 MMT to 693 MMT, up 6% from the previous year. World wheat ending stocks were increased by 4 MMT to 180 MMT, compared to 175 MMT a year ago.

**Wheat Competitor / Buyer News** – China National Grain & Oils Information Center raised their Chinese import projection for MY 2013/14 from 6.5 MMT to 7.5 MMT. China has already booked 3.7 MMT from the U.S. and 2.2 MMT from Australia this marketing year.

**CORN** - Corn export sales were on the high end of trade expectations last week at 640.1 TMT for MY 2013/14. Cumulative corn export sales have now reached 44.5% of the USDA estimate for the marketing year compared to a 5-year average of 38.3%. Corn export shipments last week continued at a sluggish pace of 479.1 TMT.

**Ethanol corn usage** – DOE's Energy Information Agency reported U.S. ethanol production fell again last week, down 6,000 bpd to 832,000 bpd. Corn used for ethanol totaled 87.3 million bu, below the necessary pace to meet the USDA projection for the marketing year.

**International Grains Council (IGC) monthly supply and demand projections** – IGC cut their world corn production estimate this month by 2 MMT to 943 MMT, still a new record and 9% above the previous year. IGC cut corn ending stocks by 2 MMT to 148 MMT.

**Corn Competitor/Buyer News** – USDA reported that Mexico bought 197.2 TMT and Colombia of U.S. bought 180 TMT of U.S. corn this week.

#### Futures market activity this week

**U.S. economic indicators** – U.S. economic data remained mixed this week...durable orders were better than expected and weekly unemployment claims unexpectedly fell to a 6-year low. However, pending home sales slipped, pointing to a slowdown in the housing market recovery tied to rising mortgage rates. There continued to be mixed views from Federal Reserve members, with public speeches signaling this week that tapering in their massive monthly bond purchases could begin next month, depending on economic indicators. Equities traded mostly lower this week on a lack of investor confidence that U.S. policymakers will their financial house in order and overcome the current political impasses over the federal budget (spending authority expires Oct. 1) and debt ceiling (emergency borrowing will be exhausted by Oct. 17).

**WHEAT** – Wheat markets traded higher all week, finally separating themselves from the sluggish corn and soybean markets... Prices closed solidly higher on Monday, supported by short covering and a continued strong export shipment pace which is running 36% above the previous year's pace. Wheat continued to rally on Tuesday and Wednesday on talk of potentially strong import demand from China and potential frost in the Argentine crop later this week. Wheat markets led the gains today (Thursday), in positioning ahead of Monday's quarterly stocks report which might show surprisingly large feed consumption last quarter, and consequently, smaller than expected stocks. **Wheat market closes on Thursday, 9/26/13 ...**

	<u>Dec 2013</u>	<u>Weekly Summary</u>	<u>Mar 2014</u>	<u>Weekly Summary</u>
Chicago SRW	\$6.78 ¼	Up \$0.32	\$6.88 ¼	Up \$0.31 ¼
KC HRW	\$7.27 ¼	Up \$0.34 ½	\$7.29	Up 0.31 ¾
MGE DNS	\$7.24 ½	Up \$0.24 ¾	\$7.34	Up \$0.21 ½

**CORN** – Corn started the week higher, boosted by modest short covering that was triggered by spillover support from wheat and ideas that lower prices are helping to slowly rebuild demand. Gains could not be sustained on Tuesday as corn came under pressure from a drier weather outlook which will accelerate corn maturity and harvest. Spillover support from wheat pushed corn prices higher on Wednesday and again today (Thursday), but gains continue to be limited by better than expected yield reports as the harvest moves northward and positioning ahead of next Monday's quarterly stocks report. **Corn futures contract closes on Thursday, 9/26/13 for Dec 2013 contract at \$4.56 ¼, up \$0.05 ¼ and the Mar 2014 contract \$4.69 ½, up \$0.05¾ for the week.**

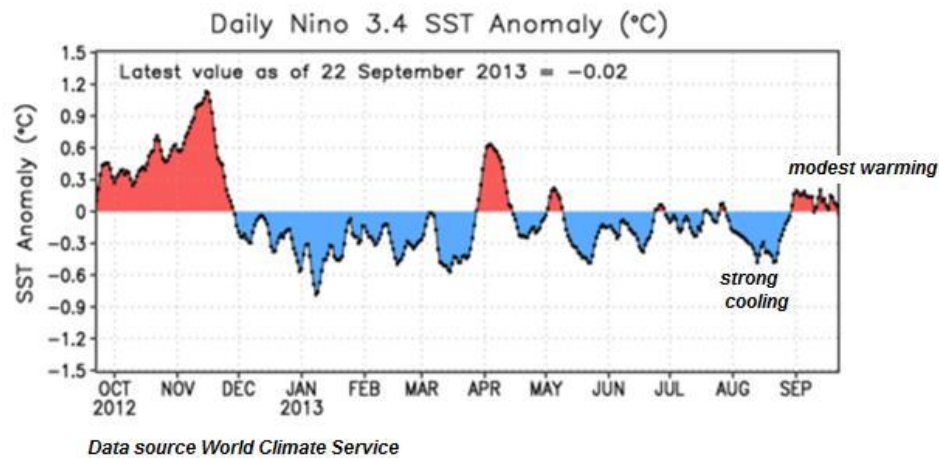
#### OTHER MAJOR FACTORS TO WATCH –

**CRUDE OIL** – Crude oil prices chopped in a narrow range this week, reflecting lower risk premiums associated with the Middle East (Syria and Iran), increased Libyan and Nigerian output and investor uncertainties about U.S. federal budget impasse. DOE's weekly inventory report was mostly bearish....showing a surprising 2.6 million bbls increase in crude oil stocks, compared to an expected decline of 1.0 million bbls; distillates decreased by 200,000 bbls, compared to an expected decrease of 925,000 bbls; and gasoline stocks increased by 217,000 bbls, compared to an expected decline of 750,000 bbls. **Crude oil prices ticked modestly higher today (Thursday) – up \$0.37 to close at \$103.03 – on modest short covering in reaction to the 12<sup>th</sup> consecutive weekly decline of stockpiles in Cushing, OK, which is the delivery point for WTI oil futures.**

**U.S. WEATHER / CROP PROGRESS – PNW** – Cooler and wetter this week but warmer temps are expected to return by the weekend. **Corn Belt / Plains** - After heavy soaking rains last week, conditions turned mostly warm and dry across the Midwest this week allowing field work to resume. There were some recurring showers across the western belt. Corn harvest is advancing northward and winter wheat planting is accelerating across the Central and Southern Plains.

**El Nino Signal emerging?** Sea surface temperatures have strongly warmed on recent weeks, indicating a El Nino signal. Increased wetness favors the Central U.S. in an emerging El Nino cycle.

Sea Surface Temperature Anomalies in Equatorial Pacific Nino 3.4 Region (C)



#### USDA Crop Progress / Condition Report, September 23, 2013

Crop	% Progress	Previous Week	Previous Year	5-Year Average	Condition rating % good/excellent	Previous Week	Previous Year
US winter wheat	23% planted	12%	23%	24%			
ID winter wheat	34% planted	16%	25%	30%			
Corn	40% mature 7% harvested	22% 4%	86% 37%	55% 16%	55% g/ex	53%	24%

#### INTERNATIONAL WEATHER / CROP PROGRESS -

- **Canada** – Harvest is reported to be 70% completed with mostly favorable harvest weather this week. There were reports of the first hard freeze in many areas but it is too late to cause crop damage. Saskatchewan reports lower than expected yields in their wheat crop due to unfavorable dry conditions in August. Protein levels also are reported to be lower than expected across Canada this year, with proteins averaging 12.4% to 13.2%, compared to U.S. HRS proteins of 13.0%.
- **Europe** – Mostly drier weather this week promoted summer crop harvesting and winter grain planting. Beneficial moisture is in the outlook for next week.
- **Black Sea Region** – Mostly wet conditions prevailed across Eastern Ukraine and Southern Russia, slowing corn harvest and winter wheat planting. Drier conditions are in the forecast for next week. Meanwhile favorable conditions across Kazakhstan and Eastern Russia allowed spring grain harvest to rapidly advance.
- **China** – Mild weather promoted corn development across the northeastern production region.
- **Argentina** – Frost warnings for parts of the Argentine wheat belt this week.
- **Australia** – Widespread showers across the southeastern and western production areas continue to maintain favorable growing conditions, while the drought-stressed northeastern region finally received some beneficial moisture this week.